

## Durham Research Online

---

### Deposited in DRO:

28 October 2009

### Version of attached file:

Accepted Version

### Peer-review status of attached file:

Peer-reviewed

### Citation for published item:

McEwan, C. and Bek, D. (2009) 'Placing ethical trade in context : WIETA and the South African wine industry.', *Third world quarterly*, 30 (4). pp. 723-742.

### Further information on publisher's website:

<http://dx.doi.org/10.1080/01436590902867144>

### Publisher's copyright statement:

### Additional information:

---

### Use policy

The full-text may be used and/or reproduced, and given to third parties in any format or medium, without prior permission or charge, for personal research or study, educational, or not-for-profit purposes provided that:

- a full bibliographic reference is made to the original source
- a [link](#) is made to the metadata record in DRO
- the full-text is not changed in any way

The full-text must not be sold in any format or medium without the formal permission of the copyright holders.

Please consult the [full DRO policy](#) for further details.

## **Placing ethical trade in context: WIETA and the South African wine industry**

**Cheryl McEwan and David Bek**

### **Address for correspondence:**

Dr Cheryl McEwan  
Geography Department,  
Durham University  
Science Site  
South Road  
Durham  
DH1 3LE  
Tel: 0191 3341800  
Fax: 0191 334 1801  
[Cheryl.mcewan@durham.ac.uk](mailto:Cheryl.mcewan@durham.ac.uk)

## **Placing ethical trade in context: WIETA and the South African wine industry**

### **Abstract**

How ethical trade develops in specific ways in particular national-institutional and historical contexts remains largely unexamined. This paper analyses approaches to ethical trade in the South African wine industry through a case study of the Wine and Agricultural Ethical Trade Association. It examines factors influencing WIETA, including the legacies of colonialism and apartheid, its relationship with post-apartheid restructuring and legislation, and the role of international retailers. WIETA's impact within the wine industry, stakeholder perceptions, and improvements in on-farm standards are explored. The paper illustrates how these impacts are mediated by political and economic factors operating at various scales, and by the contradictions of improving working conditions within free market globalisation. Within these broader contexts, it argues that expectations of WIETA are unrealistic and its role in transformation widely misunderstood. Instead, ethical trade initiatives need to be understood within their spatial, institutional, and historical contexts so as not to overestimate and undervalue their contribution to socio-economic transformation.

### **Introduction**

Although there is no consensus on the definition of ethical trade, the term is used frequently to refer to the sourcing of products from producers guaranteeing core labour and human rights standards to their workforce. It is a site of struggle, particularly within capitalist food production and exchange, between retailers and an ethical trade movement aimed at mitigating the costs imposed on workers.<sup>1</sup> Research

since the mid-1990s has focused on its driving forces, its organization through multi-stakeholder approaches, and its impacts on workers in the South.<sup>2</sup> However, there has been little analysis of how approaches to ethical trade develop in specific ways in particular national-institutional and historical contexts,<sup>3</sup> particularly at the producer end of supply chains. There have also been numerous calls for empirical research that critically interrogates the social and economic consequences of ethical initiatives involving supply chains.<sup>4</sup> In response, this paper examines approaches to ethical trade in the South African wine industry, focusing specifically on the impacts of the Wine and Agricultural Ethical Trade Association (WIETA)<sup>5</sup> and local stakeholder assessments of these. It explores how these impacts have been shaped by international, national and local contexts: the legacies of colonialism and apartheid, post-apartheid restructuring and legislation, and the role of international retailers.

The paper draws on fieldwork conducted in the UK and Western Cape in 2006.<sup>6</sup> UK-based interviews were conducted with a corporate social responsibility manager at a major retailer, three NGO and two corporate charity representatives involved in ethical trading initiatives, and an ethical produce importer/supermarket supplier. Twenty-four formal individual and group interviews were conducted with institutional actors involved in South African agri-industries. Of these nine are directly involved in the management of WIETA, six are wine-grape producers, three represent other private sector interests, three are involved in union management and four represent NGOs.<sup>7</sup> Informal discussions were held with farm workers at a union-sponsored training event in Stellenbosch.<sup>8</sup> Detailed case study material was collected on both producer experiences and WIETA's operations, including the dynamics of its institutional evolution and stakeholder perceptions of its effectiveness.<sup>9</sup> Informal

interviews were also held with representatives from NGOs, unions and the private sector.

The paper first outlines the broader context in which WIETA was formed and now operates, before examining its penetration and recognition within the industry, attitudes of different stakeholders, and improvements in on-farm standards. At the time of the research, WIETA had been conducting inspections for 18 months. Although too early to give a full assessment of its impact, these provide an insight into its potential for bringing about change. Understanding how multi-scalar contexts shape and constrain transformation is critical in assessing WIETA's impact and to developing new approaches to ethical trade initiatives. Thus, the paper explores the ways in which WIETA's impacts are mediated by political and economic factors operating at local, national and global scales, and the complexities and contradictions of trying to improve working conditions within free market globalisation. It also assesses the dangers of overestimating its potential contribution to socio-economic transformation and undervaluing its actual achievements, which has broader implications for understanding ethical trade in relation to socio-economic justice.

### **WIETA and transformation**

The history of the South African wine industry is deeply intertwined with the social history of slavery that continued to shape political, economic and cultural power relations for more than 150 years.<sup>10</sup> The wine industry was infamous for the 'worst working conditions' in apartheid South Africa.<sup>11</sup> Recent years have seen wholesale restructuring (Ponte and Ewert, 2007),<sup>12</sup> but the paternalistic, authoritarian and racialised labour regime that was inherited from slavery persists; employment patterns

remain highly racialised and reports continue to reveal high levels of exploitation including low wages, poor working conditions, an absence of black people in managerial and ownership positions, and discrimination against women.<sup>13</sup> Despite legislation (e.g. the 2003 Broad-Based Black Economic Empowerment (BEE) Act), transformation in the wine industry still lags far behind other sectors.<sup>14</sup> Groundbreaking initiatives are required to tackle long-entrenched socio-economic, political and cultural legacies.

Within this challenging context, WIETA – a not-for-profit, voluntary organisation – was formed in 2002. It originated as a UK government Ethical Trade Initiative (ETI) pilot project in 1999 and operates via a tripartite alliance comprising corporations, NGOs and trade unions. Despite the history of bitter antagonism between these stakeholders, the pilot was pivotal in bringing them together for the first time, and successfully assisted South African partners in developing and refining inspection methodologies for monitoring on-farm labour standards. It was so successful that local actors devised a home grown model – the first of its type in the world. Thus WIETA sets the parameters for implementing and auditing ethical labour practices and working conditions in the Winelands. It has drawn praise from human rights groups and has been described by one ETI representative as the ‘jewel in the crown’ of ETI worldwide initiatives.<sup>15</sup>

The wine industry encapsulates the scale of the challenge of transformation facing South Africa. Post-apartheid governments have inherited a dual mandate: a political and moral imperative to dismantle extreme, racially delineated socio-economic disparities, and an economic imperative to reconstitute links with the international

economy in order to stimulate economic growth and employment. Disciplined adherence to neoliberal orthodoxy has failed to establish a significant foothold within the highly competitive and asymmetric global economy.<sup>16</sup> Land-based production activities, in particular, have struggled to compete within a more open trade regime. In this context, debates about the role of alternative trade in transforming the lives of the poor are of significance. While the challenging macro-economic context hardly represents a fruitful environment in which to effect progressive socio-economic transformation, the wine industry has been pro-active in establishing an institutional matrix to meet these challenges. Numerous organisations have been created and initiatives are taking place at farm level. However, the scope of these ventures has been limited. WIETA's role in initiating and driving momentum for change is, therefore, significant.

### ***Social auditing***

WIETA is managed through an executive committee comprising individuals representing different interest groups, including the export promotions agency Wines of South Africa (WOSA), organised labour, NGOs and the Department of Labour. It established a code of good practice based on the ETI base code and South African legislation.<sup>17</sup> Key principles include: no child labour; freely chosen employment; the right to a healthy and safe working environment; the right to freedom of association; non-excessive working hours; the right to a living wage; prohibition of unfair discrimination; rights to worker's housing and tenure security. This is monitored through a social auditing inspection process, and complemented by efforts to educate producers and workers about the content of the code and its practical implementation.

The imperative is to establish a dynamic upward trajectory of improvement in social conditions on farms rather than to ‘fail’ or shame producers.

WIETA represents key sector stakeholders, including NGOs, trade unions, growers, processors, packers, retailers and government. Wine-grape growers who are WIETA members pay a registration fee and perform self-assessments of their compliance with the code. WIETA reports on the self-assessment and then audits each grower. A pre-audit gathers information about the company (number of employees, gender/racial classifications, hectarage, output). The audit begins with a joint management-employee briefing followed by interviews with managers and workers, inspections of workers’ contracts, visual inspection of housing, and review of health and safety measures. Workers are selected randomly for private interviews so that they are not prepped. A second meeting provides an assessment of levels of compliance and facilitates discussion between management and workers, highlighting both good and bad practice and providing an opportunity for opinions to be voiced. The producer is provided with a full report and required to produce an action plan to address areas of non-compliance. The WIETA multi-stakeholder elected committee assesses whether the plan fully addresses areas of non-compliance and, subsequently, whether there is enough evidence for accreditation, which lasts three years.<sup>18</sup>

WIETA currently has 199 members of whom 103 are wine producers, including major co-operatives (KWV, Distell, Vinfruco, Western Wines) and individual farms and estates.<sup>19</sup> Audits began in early 2004 and, to date, 33 producer members have been accredited (see Table 1). Given that there are around 4,400 grape producers in South Africa,<sup>20</sup> this represents a modest impact. Moreover, it appears that recruitment



from the wine sector has stalled. WIETA has struggled to identify a conclusive business-case or rationale to encourage membership, attempting to recruit on the basis that better governance on farms and other sites will improve productivity, but producing little hard evidence in support. In addition, while retailers have been supportive there is little evidence of changes in procurement practices.

**Table 1 near here**

Recently, however, WIETA expanded into fruit and flower production, largely at the behest of UK retailers (Tesco, Waitrose and Marks and Spencer), which could provide significant impetus within the wine sector. 191 audits of fruit farms have been conducted since the start of 2003 (116 in the 2006/7 season). However, unlike fruit and flowers, the wine industry has a complicated supply chain that involves growers, cellars, co-operatives, bottling operations, packhouses and export marketing companies; there is thus comparatively less reputational risk for retailers. As one WIETA executive explains, supermarkets are ‘very hard and prescriptive on their own label fruit, less so with wine’ (interview 14/09/06); they rarely produce own-label wines and do not perceive it their business if suppliers are not compliant. Despite this, expansion into horticulture is viewed optimistically by wine industry representatives who predict that WIETA will grow, ‘have more teeth’ (*ibid.*) and greater energy and finance. In the medium term its status is enhanced:

If WIETA is doing a good job for Tesco and Waitrose then others will start falling into line. It’s a virtuous circle – WIETA will get more knowledge and

experience, with more audits practice will get better. (CEO non-profit wine industry association, 21/09/06)

During 2007, WIETA launched an education training programme for workers and management at production sites, linked into a national qualification system (WIETA executive, 01/09/06). It is also developing a training course for supervisors in the agricultural sector, which aims to educate them in the WIETA codes and build supervisory skills, ultimately to improve workers' experiences.<sup>21</sup>

### ***The role of UK retailers***

UK retailers were instrumental in WIETA's emergence. South Africa currently exports almost 50% of its wine production, over one third of which is exported to the UK, its largest single market.<sup>22</sup> High levels of retailer buy-in were achieved during the ETI pilot, particularly from supermarkets. WIETA's extension into a locally-managed association has been strongly supported by these supermarkets, who contribute heavily to WIETA funding by donating their share of the EU Common Customs Tariff rebate back to the wine industry. Retailers play a direct role in demanding that basic material quality is met by suppliers,<sup>23</sup> which includes social and environmental certification and, increasingly, WIETA membership. This results in tiny margins for producers, strict logistics inducing cost-cutting and 'efficiency gains', and delisting for non-compliance. Yet, while some in the industry perceive accreditation as one way of 'standing out' in a crowded marketplace, WIETA has also experienced difficulties in recruiting members. Indeed, it has faced resistance and often hostility from some producers who feel they are being unfairly singled out for criticism by international observers (Nelson *et al.*, 2002; Bek *et al.*, 2007).<sup>24</sup> Membership is seen

as important only when it is linked to securing an export contract with UK retailers. The costs of achieving compliance are high, sites are rarely compliant after the initial audit, and implementing corrective actions can be expensive (one producer reported costs of R200-250,000 (£14-19,000/\$29-36,000)). For retailers, codes of conduct are a necessary business protocol offering a relatively inexpensive measure to protect corporate reputations. Ensuring that suppliers meet acceptable standards is simpler if managed through a single organisation. Thus, some observers believe that retailers may seek to source all South African wines from WIETA members.

### **Stakeholder perceptions of WIETA**

In terms of the efficacy of its inspection processes, WIETA is generally held in very high regard by the majority of stakeholders. Audits are seen to be of a high standard, comprising good methodology with broad coverage of social and health and safety issues. This contrasts with commercial audits, which are considered much more variable and lacking in transparency. Some are tick box exercises, according to a WIETA executive ‘two hours including tea and a chat with producer’ (interview 01/09/06). Another WIETA representative suggests that some retailers organise their own audits and, although they use some ‘high calibre individuals who know the process and have the skills’, they very often ‘don’t know the local environment and they come with a westernised mind set’ (interview, 14/09/06). In contrast to this ‘window dressing’ (*ibid.*), WIETA methodology is evidence driven, based on dialogue and representation at various levels, including casual workers, which provides a comprehensive picture of the organisation. As a CEO of a wine industry marketing association argues, ‘WIETA has done really well, operating in a difficult environment [and] has produced material that is very reputable (interview 21/09/06).

Many respondents highlight the importance of WIETA in providing a platform for enabling diverse stakeholders to work together. Consequently, there has been greater communication between different interest groups, with better mutual understanding of perspectives. The fact that WIETA is a local rather than international auditing body, aware of the profound historical and contemporary sensitivities in the Western Cape, is clearly of significance:

WIETAS's dynamics – stakeholder interaction – was very difficult at the beginning. But now look at board meetings. There is more trust and mutual respect... There is this South African thing of treating each thing in minutiae, to give everyone a say. WIETA people have been fantastic at dealing with that. Endless patience. They are great at keeping people informed and involved in decision-making. Things work better. (*Ibid.*)

Several respondents point out that WIETA is subject to a great deal of politicking from different stakeholder groups and stress the importance of its independence from industry structures. In addition, unlike other audits, WIETA inspections are conducted in local languages. This is important given that many farmers produce for a co-operative, never have contact with exporters and retailers, and for whom an external audit can feel like 'a case of two different worlds meeting' (WIETA representative, 14/09/06). Positive results are much more likely if the farmer feels comfortable and is able to communicate in Afrikaans.

Producers are largely positive about WIETA. However, in a context where it is widely suggested that around fifty percent are struggling financially, the requirements and costs of compliance are often seen as particularly burdensome. One producer observes that WIETA compliant sites tend to be ‘larger and financially secure’ and thus are better able to ‘commit human and financial resources to the issues at hand’ (interview 14/09/06). Another argues that many farmers run their businesses in the traditional way ‘off the back of an envelope’ (interview 07/09/06); the sophistication of modern compliance systems is often beyond such producers and they lack the resources to cope. WIETA requires recorded evidence in the form of documentation, but small farmers claim to have neither time nor infrastructure for record-keeping. The fact that WIETA standards are broader and higher in some regards than legislative requirements is a contentious issue about which some producers and other stakeholders complain.

Some producers stress the importance of WIETA in raising awareness of new legislation and the extent of non-compliance on their farms, since even progressive producers lack familiarity with the detail of much health and safety and labour law. One producer representative in Stellenbosch recounted his surprise at the audit findings:

We were audited for the first time in September 2004... After the initial audit we were provided with a report *that thick* [indicates with both hands] that was structured around the labour law codes and the H&S codes. We were okay on the labour but were big-time non-compliant on the H&S stuff... Without WIETA we would never have had a clue about many of the problems that

were identified... It really opened our eyes to H&S issues. (Interview 19/09/06)

In addition to raising awareness and attending to areas of non-compliance, producers also referred to the significance of accreditation in terms of the export market and, specifically, in countering the tainted image of exploitation and poor working conditions within the South African wine industry:

[Accreditation] is not so important for the local market... But it is important for overseas, especially UK, markets. We can show that we have been inspected by a reputable third party. We can show that we are not the oppressor of old. Here it is in black and white, done an audit, fixed the problems and here's the proof. We are an ethical producer. If we get some extra mileage, an extra sale here and there then that is an added bonus.

(Producer interview, 23/09/06)

Perceptions of WIETA's impacts on labour conditions on farms and in broader processes of transformation within the industry are mixed and vary between stakeholder groups. The slow pace of transformation has been highlighted in previous studies and this remains a prevalent issue.<sup>25</sup> There is still a lack of worker awareness of the codes.<sup>26</sup> However, there is considerable optimism amongst those involved in industry organisations and other transformation bodies:

Perception of labour standards on South African wine farms is certainly better than ten years ago. You don't see the dop system;<sup>27</sup> we are now dealing with

the legacy of its history. I believe that the industry is committed to making differences in people's lives. On most farms you find that people are paid minimum wage and some people do have security of tenure. (Wine company CEO, former WIETA board member, 22/09/06)

The strategic plan is working well – moving from just being an auditor to being a promulgator of best practice is very exciting. WIETA's standards are above the law – and we have good laws. WIETA tackles more complex issues that the law cannot tackle – the nuances of sexual harassment, workers running up tabs at farm shops that equate to all their salaries... The big success story has been to tackle labour brokers. Some are exceptionally exploitative. (Marketing association CEO, 21/09/06)

In contrast, workers and worker organisations express frustration regarding WIETA's impact on transformation, with 'WIETA lacks teeth' a common complaint. Other stakeholders suggest that this miscomprehends WIETA's role:

At the last AGM we had a march by trade unions... WIETA has no actual power. They want WIETA to be more assertive and aggressive. This is partly about their own frustrations, if truth be told, because the degree to which unions have penetrated is very small. They are very fragmented. We have seen a lot of disillusion on farms. People do not quite understand the role of WIETA. They want WIETA to do their job for them. (Marketing association CEO, 21/09/06)

Many respondents within the industry are aware that WIETA is not an enforcement agency and is largely market driven, but expectations among workers are often higher than WIETA's remit. Thus, understanding WIETA role in the context of debates about transformation and empowerment is important in assessing its actual and potential impact within the wine industry.

### **WIETA's role in transformation**

The problems with transformation (or lack of) in the wine industry are well documented.<sup>28</sup> Rather than improving farm worker organization and the nature of the labour regime on farms, critics argue that commitment to worker interests through BEE is couched in self-amelioration discourse (education and training) and codification technologies that shift the terrain of restructuring from a political to a managerial realm. This process is buttressed by branding, advertising and image-building on the one hand, and by codes of conduct, scorecards and auditing on the other. Critics argue that rather than effecting change this is likely to become another tool in 'allowing both the standardization and the de-racialisation of labour and social relations in the wine industry'.<sup>29</sup> The danger for WIETA is that it becomes conflated with BEE and thus subject to similar critiques; any assessment of WIETA's impact thus needs to be within the framework of its remit.

It is still very early in WIETA's history to draw definitive conclusions about its impacts on farms. WIETA has been an independent organisation for only four years, and it takes more than a year between audit and accreditation. While a recent ETI Impact Assessment of the South African fruit sector reveals that base codes are having limited impact, WIETA was identified as having potential 'to provide a



vehicle for the implementation of labour codes'.<sup>30</sup> WIETA is working in a difficult context in which problematic trends prevail in rural areas – decreasing numbers of permanent employees, whose working and social conditions are on the whole improving, and a growing proportion of casualised workers who bear the brunt of producers' desires to keep down costs through flexibilisation (Ewert and du Toit, 2005).<sup>31</sup> Despite these difficulties, WIETA sets the bar on labour standards and generates levels of aspiration within agri-industries. As discussed, where inspections have taken place they have proved to be educational for producers, especially in the area of health and safety. Audits enable data on compliance issues to be aggregated and disseminated so that a picture of standards in the wine industry can be drawn and support for corrective measures generated by the relevant agencies.

### ***Improving working conditions***

It will take time for WIETA to gather momentum, particularly considering the enormous structural shifts required, and its impacts on labour standards across the industry are at present low. In April 2005, WIETA published the results of the first complete year of social auditing during which 42 producer sites were inspected.<sup>32</sup> The audits confirmed that the industry is male-dominated and employing a largely 'coloured'<sup>33</sup> workforce. Men have access to the most skilled (e.g. cellar work) and secure jobs. Both 'coloured' and 'black' women are more likely to be temporary/seasonal workers than their male counterparts. Sites that are part of large corporate companies are more likely to experience unionisation than their counterparts. However, unionisation levels are very low and producers often prohibit unions. Significantly, the global ETI report notes that high levels of unionisation correlate with high levels of compliance with the ETI base code.<sup>34</sup> Workers on wine

farms continue to report that working conditions are generally poor and difficult, and abuse of workers persists (Breytenbach, 2006).<sup>35</sup> While there have been some improvements, it is a slow process. As a representative of women's labour union, Sokhile Sonke, argues, there are wide variations in conditions. Two neighbouring farms in Ceres supplying the same supermarket reveal vastly different working conditions: WIETA accredited farms paying good salaries and benefits alongside 'Tesco farms with poor wages and no benefits' (interview 19/09/06). In some cases permanent workers enjoy 'quite reasonable conditions with crèches, contributions to medical costs, pension contributions and so forth', but the 'trend of casualisation is causing huge problems' (*ibid.*).

WIETA audits found that labour brokers are used at two-thirds of sites inspected. Large corporate groups are more likely than independent producers to use brokers. Audit performance declines down the supply chain. Compliance with child labour and minimum wage is 100%, but there is no indication as to whether this also applies to casual workers employed via brokers. The worst performance area relates to control over standards for employees taken on via labour brokers (45% non-compliance). The audits raise a number of specific areas of concern: measures taken to accommodate pregnant and nursing women workers (39% non-compliance); rights to a contract (60%); records kept of employment, including contractor/seasonal contracts (25%); all workers (including seasonal) are trained in basic Occupational Health and Safety (55%); workers are not abused verbally or intimidated (25%); clean toilets are available to all workers (33%); young workers earn at least the legal minimum hourly rate (38%).<sup>36</sup>

Given that the more progressive farms have been the first to seek WIETA accreditation, the audits confirm that there is still a long way to go before the industry adequately meets basic standards of employment. However, one important area in which WIETA is making progress is with labour brokers:

1.7 million people have been evicted from farms in the last 20 years (5% legally). 3 million have been displaced via retrenchments, including spouses and children... Most of those workers ended up working in gangs and the composition has changed with many African women. We have invited labour brokers to join WIETA and six have. In cases where we are inspecting users of labour brokers, we do endeavour to inspect the labour broker elements.

WIETA are looking at issuing a model contract between employers and labour brokers, including stipulations about daily pay rates, duty specifications and so forth. (WIETA executive, 01/09/06)

While farmers may respond to failures by changing brokers, the cause of such failures is often the low payment the farmer makes and, unless rates increase, it is unlikely that much will change. However, following WIETA inspections, members have taken steps to rectify problems experienced by seasonal workers engaged through brokers, since many of the latter are not complying with their legal obligations. Where possible, WIETA requires brokers to be audited alongside the main employer to reduce costs. Where this is not possible, WIETA audits the labour broker operation separately during the season when temporary workers are hired. Brokers supplying employees to the wine industry are also able to join WIETA and gain accreditation in their own right. Some WIETA members are requiring their brokers to join and this

appears to be an increasing trend. Another achievement has been to make owners and producers aware of conditions that can be detrimental to the health, safety and labour rights of their workers. For example, many winery owners were unaware that using certain filtration media can cause silicosis and were inadvertently putting their cellar workers at risk. Preventative measures are being taken at WIETA audited sites. In other cases, housing for temporary cellar workers has been improved.

Most respondents agree that working conditions on farms have improved to some degree. Some suggest markedly, others are more cautious. Some point to the highly differential experiences of different groups of workers, with casualisation producing significant gender and race divisions. Some permanent workers have little awareness of the realities for casual workers, claiming that ‘they get free transport’ and ‘they have no deductions’ (informal worker interviews, Stellenbosch 22/11/06). Casual workers have no deductions at source for housing and other benefits because they are excluded from such benefits. Farm workers also report that restrictions on unions remain a major obstacle. Workers who recruit or join are threatened with dismissal and organisers are prohibited on farms. Some farms are allegedly erecting electronic gates to keep unions out. However, progressive labour laws and the WIETA code ‘give unions something to work with’ (*ibid.*). Enforcement is clearly a problem, but at least unions are able to use the legislation to hold some people to account. Unions are thus keen for WIETA to improve conditions and to offer support to progressive farmers.

WIETA’s impact on effecting change on farms might appear to be relatively minor if viewed in isolation from other developments. However, it is also part of networked

activism, which connects trade unions, grassroots movements, NGOs, producers, government departments, legislative bodies and international retailers, and the possibilities for future transformation appear promising. Tesco's encouragement of WIETA's expansion into fruit production is indicative of this, since the impetus arose out of activism by Women on Farms Project (WFP), Sikhula Sonke and ActionAid. Tesco claims never to source items produced under unethical conditions. However, WFP and ActionAid produced two damning reports highlighting worker rights violations in the Cape (Wijeratna, 2005; Brown-Luthango, 2006; WFP, 2006).<sup>37</sup> Following a well-publicised shareholder revolt at its AGM, Tesco approached WIETA to undertake pilot audits and develop auditing methodology for the fruit industry. 'Since then, the major Tesco-supplying fruit companies..., have all agreed, albeit reluctantly, to be audited through WIETA'.<sup>38</sup> The audits were completed by the end of the 2007 harvesting season.

### ***Empowerment***

WIETA is perceived as promoting ethical trade and improved working and living conditions for employees through a holistic and considered facilitation of best labour practice. What it is able to deliver in tangible terms in relation to empowerment (and the specific understanding of empowerment as BEE) is a subject of intense debate. One wine industry advisor argues that WIETA can only do so much and, rather than being a vehicle for transformation, is merely a starting point; it is the responsibility of people within the industry to effect a deeper transformation in line with BEE legislation (interview 22/11/06). WIETA works with other bodies, such as the South African Wine Industry Council. This was created during 2006 to deliver the Wine Industry BEE Charter adopted on 30<sup>th</sup> July 2007 and is representative of all

stakeholders in the industry. The Charter aims to, ‘open paths of opportunity for those previously excluded under apartheid; and to provide a decent way of life and human dignity to those who work on the wine farms’.<sup>39</sup> However, critics of BEE point out that it allows a conservative agenda to be embedded in official frameworks such as the Charter and the technical monitoring tools associated with it.<sup>40</sup> As discussed previously, such processes embed socio-economic concerns in standards, codes of conduct and certification schemes, which in turn shifts the nature of the debate about transformation from the political to the technical. Unless structural, racial and power imbalances are addressed before the shift occurs, transformation is likely to remain technical and apolitical.<sup>41</sup>

BEE thus provides a conservative context in which WIETA cannot be expected to deliver empowerment. However, this should not lead to undervaluing its role in improving working conditions on farms and providing opportunities for other organisations working with more radical empowerment agendas to effect change. For example, newly formed unions, like Sokhile Sonke, are beginning to work more closely with WIETA in driving change on farms. WIETA has been particularly keen to support redistribution of wealth, provided this is done in such a way that has positive impacts on the livelihoods of the poorest and most disadvantaged in the sector. It is sensitive to criticisms of BEE that it has merely enriched a black middle class and reinforced the position of poorer people (WIETA representative, 15/09/06), and is aware of the need to resist this in BEE deals within the wine sector. It promotes the idea amongst industry stakeholders that social auditing outcomes should be taken into account in BEE assessments, in order to enhance the ‘broad-based’ empowerment now required by legislation.

Significantly, micro enterprises (those with turnover below R5 million), are exempt from the 2003 BEE legislation. Within the wine industry, based on estimated turnover and available statistics, approximately 80% of farms are exempt from the provisions of the Charter.<sup>42</sup> Without a legislative requirement to adopt BEE codes, therefore, market-driven transformation based in ethical trade is likely to remain important in driving change within the industry. WIETA is unlikely to play a direct role in addressing many of the main challenges facing BEE, such as the highly skewed ownership regime, advancing women in the industry, mobilising knowledge, business acumen, capital and social capital, and rural development and poverty alleviation. As one respondent suggests: ‘we can meet the [WIETA] standards and life will still be hell for most people’ (Head of Wine Co-Operative, 31/08/06). However, WIETA is contributing towards the establishment of a new tone in the industry, particularly about basic employment rights and conditions.<sup>43</sup>

WIETA also plays a role in addressing issues prioritized in BEE legislation, such as improving labour relations and fostering human dignity, improving security of tenure and employment, creating an economically viable transformation and an integrated value chain. The WIETA code goes beyond labour laws in promoting joint worker/management participation in implementation, and worker education on employment standards and codes. By joining WIETA, producers can take steps to institutionalise compliance with legal standards as an integral part of their business. In other words, they are embracing the spirit of the laws rather than just the letter through a participative and developmental approach to sustainable employment practices in line with legislation. Significantly, the WIETA code is a *social* code, monitored by social auditing under local stakeholder auspices. Unlike other codes, it

is not monitored using technical appraisal without local stakeholder oversight and is thus more able to address the social development outcomes of employment.

### **The challenge of transformation: constraints and opportunities**

Voluntary processes, such as those encouraged by WIETA and the Wine Industry Charter, are likely to meet significant obstacles since they lack ‘a big stick to beat producers into compliance’ (WIETA representative, 15/09/06). Prevailing power relations within the industry present major constraints. At a local level the entrenched, institutionalised conservatism of the ‘wine industry complex’ – the white elite that continues to run the major businesses and organisations – is a significant barrier to change.<sup>44</sup> It is renowned for circumnavigating legislation and voluntary initiatives in order to maintain the status quo. As discussed, the shift to outsourcing on the labour-intensive farms of the Western Cape represents another large obstacle to improving working conditions:

An increasing reliance of third party [labour] brokers has effectively enabled farmers to wash their hands of accountability for the conditions under which harvesting teams laboured. It also ensured that significant portions of the labour force worked essentially outside the realm of effective regulation.<sup>45</sup>

Interviews also reveal serious issues relating to eviction of workers. In some areas, activist claim that worker houses are increasingly being turned into student accommodation and tourist cottages (WFP representative, 30/08/06).

Another set of constraints operate at the international scale. The relatively strong Rand (until very recently)<sup>46</sup> and global oversupply of wines for export provides a



tough context for transformation and upliftment processes. UK-based retailers use sourcing policies that place considerable downward cost pressures on suppliers, who also have to meet the costs of compliance with ethical codes. Scope for investing in the needs of workers thus tends to be limited. WIETA's existence is dependent upon UK retailers, yet these do not (yet) provide sufficient pressure on wine producers to be compliant. Some are more active than others, but there is still doubt concerning commitment:

We don't know whether the supermarkets in the UK see it [WIETA] as important enough... I certainly don't see that. If I want to sell to Tesco I don't see an imperative to use WIETA policies. I don't know how important the South African industry is to the supermarkets... and I'm not sure how committed the supermarkets are to the WIETA code. It is an ethical code that means nothing if it does not have the leverage from the supermarkets to ensure it is applied. That is problematic and unless the supermarkets start showing their teeth more in terms of supporting WIETA it will be a long and arduous road. (*Ibid.*)

There is a sense within the wine industry that retailers tend to be more concerned about WIETA auditing their own brand products due to the direct link between brand and site of production, and the larger margins they make on these products. There is also a sense that ethics within corporations are driven by key individuals within CSR departments rather than being engrained within firm governance. As the head of a major wine co-operative explains:

WIETA's standards are similar to normal commercial ones but they focus much more on the social/labour standards side, which is important. WIETA is helpful when dealing with Tesco who are keen to push the dirty work onto suppliers. Supermarkets are profit driven. They want to be seen as clean when they are not clean. They could do a lot more to co-operate with those trying to improve supply chain practices. They divorce themselves from responsibility. They ought to get involved in supply chains rather than putting it onto audit firms. They could use their Foundations to do good work. They have delegated that responsibility and passed it on to WIETA, Fairtrade and the likes of Oxfam. The reality is that they do use standards and yet the poverty is still there. They squeeze suppliers. (Interview 31/08/06)

However, this pattern of retailer domination is not perceived as insurmountable: 'the consumer can end it for them. Tesco *have* been engaging – the pressure from WFP has been important. This helped in putting these issues on the agenda' (*ibid.*).

Waitrose, which invests in WIETA through its Foundation (WF), receives positive endorsement. The parent company (John Lewis) is mutually-owned and independence from the short term demands of shareholders provides scope for innovation and investment in alternative models. WF raises a levy from each component of the supply chain for all South African sourced fruit. The levies are invested into social projects at farm level. WF assists with processing funds and determining the projects upon which money can be spent. This is seen as 'a more community-focused system than other ethical and fair trade models' (WIETA executive, 01/09/06). WIETA is likely to be involved in inspecting suppliers to ensure compliance and, in contrast to

the industry norm, WF pays for the audits instead of the suppliers. Waitrose tends to build enduring relationships with suppliers: 'They are not as 'flexible' as Tesco' (*ibid.*). It also has a relatively small producer base, which allows it to operate its model effectively: 'larger retailers would find it very difficult to administer such a system' (*ibid.*). Several respondents felt that WF represented a potential paradigm shift in corporate approaches.

On the production side, there is increasing frustration with the 'lack of meaningful margins in exports to UK supermarkets, the need for massive promotion budgets and the recent flattening if not decline of South African wines'.<sup>47</sup> This prompted WOSA to organize a panel at *Cape Wine 2006* entitled 'Why bother with the UK?' with journalists launching scathing attacks on UK supermarkets for 'squeezing out the life in wine'.<sup>48</sup> Other observers are more positive, particularly about Tesco expanding its fine wine portfolio, which would significantly aid South African producers enter a market that delivers much higher margins. Meanwhile, WIETA is building its business case in ways that might reduce reliance on UK supermarkets. For example, it is preparing a two-year plan for Sweden's sole wine importer (WIETA executive, 01/09/06), which has a reputation for providing good margins. Sweden is looking to import wines that are ethical, good quality and meeting social criteria, and has asked WIETA to design a proposal to organise the social auditing. This signals a growing approval of WIETA's stakeholder model. However, UK supermarkets still need to strengthen their commitment to ethical trading and restrict their oligopolistically-derived capacities to force down prices to the detriment of workers.<sup>49</sup> This, alongside state support for greater international competitiveness, pro-poor policies, the building of social capital and equity, is seen as key to driving change in the industry.

## **Conclusions**

WIETA is mandated to improve working conditions yet, given the scale of change required to effect meaningful transformation in the South African wine industry, demands and expectations are much higher. This is particularly apparent among labour unions, which often perceive it as a surrogate for the (significantly under-resourced) Department of Labour, and among industry observers. This exposes WIETA to similar criticisms to those levelled at ethical trade more broadly: that it is likely to have limited impact on the lives and livelihoods of farm workers, that it is unable to address the most pressing problems, such as trends towards casualisation and externalisation, and that by reducing issues to ethical sourcing it does not challenge retailers to address the broader ways in which they create inequitable power relations in trade networks.<sup>50</sup> Thus, WIETA has effectively been granted a poisoned chalice. Its concerns are with the base code and, increasingly, with training workers, managers and supervisors in ethical trade. It is difficult to see how this would help in tackling the worst abuses on farms. However, there is a degree of irritation within the ethical wine sector with those who seek to rush to judge WIETA, particularly with authors of critical reports based on only the first few months of audits. In addition, there is a tendency to overestimate WIETA's potential contribution to socio-economic transformation and to undervalue its actual achievements. It is essential, therefore, to understand the complex historical and scalar contexts within which WIETA operates to more fairly assess its actual and potential role in socio-economic transformation. Such an approach has broader implications for evaluating ethical trade initiatives.

In policy terms, WIETA illustrates the importance of transparency within auditing processes through which retailer guarantees of labour standards/working environments are articulated, and the significance of the role of government in enforcing labour standards through legislation. Ironically, the extension of basic human and socio-economic rights to farm workers has coincided with increased levels of casualisation and externalization, primarily because of increased costs of labour and meeting the requirements of labour legislation, as well as retailer pressure on margins. In this context, WIETA is not intended as a vehicle for radical change in the wine industry, nor can it be in the conservative context of transformation in which it is positioned. Instead, it needs to be understood as part of a ‘repackaging of ethical/equity/race concerns that takes place in the wine industry through technologies of self-governance’.<sup>51</sup> These mechanisms (codes of conduct, standards, certification/auditing, labelling, accreditation systems) might be criticised as the implementing arm of ‘stakeholder’ capitalism.<sup>52</sup> However, most wine farms are not subject to BEE legislation and, in the absence of strong rural labour organisations, WIETA fills a void in effecting incremental improvements in working conditions. Critics might attack the lack of radical, structural change, but such criticisms arguably have little to offer those who still work in poor and exploitative conditions. A marker of WIETA’s longer term success will be in whether the improvements it secures fulfil the aspirations of farm workers. Basic improvements are already evident and WIETA is now focused on ensuring that its codes do not overlook the needs of casual workers.

While progressive elements in the wine industry are committed to improving standards and working conditions, WIETA is positioned within a broader set of local and international contexts that places limitations on its potential impact. A key issue is

whether it is possible for ethical labour practices to be implemented in the context of enormous downward pressures on labour conditions.<sup>53</sup> Critical attention should remain squarely on power relations (between supermarkets and cellars; between cellars and farmers; between farmers and workers). Although WIETA does not explicitly problematise and politicise these power relations, it does at least make them visible. It may fall well short of transformative notions of economic justice by focusing on labour conditions, but at least it reveals how poor these labour conditions remain. Criticisms are inevitable and should play a positive role in developing WIETA's methodologies as long as the organisation is open to critical engagement, and critique does not turn to cynicism that undermines it. While WIETA cannot fundamentally alter power relations within the South African wine industry, or within global supply networks, it could bring significant benefits for workers whose lives are often wretched. In normalising the concept of decent working conditions, WIETA thus has the potential to play an important role in transforming the wine industry. As with other ethical trade initiatives, it might be considered an important stepping stone to longer-term, more substantive transformation.

WIETA's role as a local initiative is also significant, blending the ETI code with South African labour laws and adapting normative parameters to local contexts. Unlike some ethical trade initiatives, WIETA relies on high levels of stakeholder involvement and is not driven by decision-making from North to South. It is still part of an ethical complex that is, to some extent, governed by the corporate strategies and management systems of retailers, which might blunt its 'ethical force'.<sup>54</sup> Indicators of achievement will, to some extent, reflect the values and concerns of Northern retailers and consumers because of their significance in the wine industry.<sup>55</sup> However, these

also encompass the aspirations of South African workers. By demonstrating its capacity and ability to define its own ethical goals, WIETA thus has the potential to illustrate what might be achieved when Northern retailers, civil society organisations and consumers relinquish some of their control over the ethical trade movement.

### **Acknowledgements**

We owe a debt of thanks to our respondents in the Western Cape, who gave of their time freely and without whom the research would not have been possible. In particular, we would like to thank the WIETA executive officers, board members and members for the invaluable help and assistance that they provided.

**Table 1: WIETA membership and auditing (May 2008) ([www.WIETA.org.za](http://www.WIETA.org.za))**

<i>Category</i>	<i>Number of members</i>	<i>Audited</i>	<i>Improvement plan submitted</i>	<i>Accredited</i>
<b>Export body</b>	18	1		
<b>NGO</b>	6			
<b>Trade Union</b>	3			
<b>Govt. Dept.</b>	2			
<b>Retailer</b>	6			
<b>Wine producer</b>	103	43	4	33
<b>Flower grower</b>	10	1	1	1
<b>Fruit producer</b>	43	36	3	2
<b>Other</b>	2			1
<b>Packhouse</b>	2	1		1
<b>Labour broker</b>	4	2		
<b>All producers</b>	156	80	7	36

<sup>1</sup> M Fridell, I Hudson and M Hudson, 'With friends like these: the corporate response to Fair Trade coffee', *Review of Radical Political Economics*, 40(8), 2008, pp 8-34

<sup>2</sup> S Barrientos, 'Globalisation and ethical trade: assessing the implications for development', *Journal of International Development*, 12, 2000, pp 550-570; S Freidberg, 'Cleaning up down South: supermarkets, ethical trade and African horticulture', *Social and Cultural Geography*, 2003, 4(1), pp. 27-43;



---

S Freidberg, 'The ethical complex of corporate food power', *Environment and Planning D: Society and Space*, 22, 2004, pp 513-31; A Hughes, 'Multi-stakeholder approaches to ethical trade: towards a reorganisation of UK retailers' global supply chains', *Journal of Economic Geography*, 1, 2001a, pp 421-37; A Hughes, 'Global commodity networks, ethical trade and governmentality: organizing business responsibility in the Kenyan cut flower industry', *Transactions of the Institute of British Geographers*, 26, 2001b, pp 390-406.

<sup>3</sup> Cf. A Hughes, M Buttle and N Wrigley, 'Organisational geographies of corporate responsibility: a UK-US comparison of retailers' ethical trading initiatives', *Journal of Economic Geography*, 7(4), 2007, pp 491-513.

<sup>4</sup> S Barrientos, S McClenaghan S and L Orton, *Gender and Codes of Conduct: A Case Study from Horticulture in South Africa*, London, Christian Aid, 1999; T Binns, D Bek and E Nel, 'Sidestepping the mainstream: Fairtrade Rooibos tea production in Wupperthal, South Africa' in *Alternative Food Geographies: Representation and Practice*, D Maye, L Holloway and M Kneafsey (eds), London, Elsevier, 2008, pp 331-49; A Hughes, 'Accounting for ethical trade: global commodity networks, virtualism and the audit economy' in *Geographies of Commodity Chains*, A Hughes and S Reimer (eds), London, Routledge, 2004, pp 215-232; A Hughes, 'Corporate strategy and the management of ethical trade: the case of the UK food and clothing retailers', *Environment and Planning A*, 37(7), 2005, pp 1145-1163; E Nel, T Binns and D Bek D, 'Alternative Foods' and Community-Based Development: Rooibos Tea Production in South Africa's West Coast Mountains', *Applied Geography*, 27, 2007, pp 112-119.

---

<sup>5</sup> In 2005, WIETA broadened its scope and was renamed from Wine Industry Ethical Trade Association.

<sup>6</sup> Fieldwork was conducted between April and September, supported by a British Academy research grant (SG-43017).

<sup>7</sup> Some informants represent more than one stakeholder group.

<sup>8</sup> Due to the politically and commercially sensitive nature of much of the information the identity of all sources is protected.

<sup>9</sup> Further perspectives were gained through ETI's Impact Assessment Report launch, London 2006.

<sup>10</sup> S Kruger, A du Toit and S Ponte, 'De-racialising exploitation: 'Black Economic Empowerment' in the South African wine sector', *DIIS Working Paper* 2006/34, Copenhagen: Danish Institute for International Studies, 2006.

<sup>11</sup> M Brown, A du Toit and L Jacobs, *Behind the Label: A workers' audit of the working and living conditions on selected wine farms in the Western Cape*, Labour Research Service, Women on Farms Project and the Programme for Land and Agrarian Studies, University of the Western Cape, 2003, p.23.

<sup>12</sup> S Ponte and J Ewert, 'South African Wine – An Industry in Ferment', *Tralac Working Paper* 8 [Online], 2007 [www.tralac.org](http://www.tralac.org).

<sup>13</sup> S Barrientos, A Kritzing, M Opondo and S Smith, 'Gender, work and vulnerability in African horticulture' *IDS Bulletin*, 38(2) 2005, pp 74-9; C McEwan and D Bek, '(Re)Politicising empowerment: lessons from the South Africa wine industry' *Geoforum*, 37(7), 2006, pp 1021-1034; A Tallontire, C Dolan, S Smith and S Barrientos, 'Reaching the marginalised? Gender value chains and ethical trade in African horticulture', *Development in Practice*, 15, 2005, pp 559-571; A Wijeratna,

---

‘Rotten fruit: Tesco profits as women workers pay a high price’ ActionAid, 2005,  
[http://actionaid.org.uk/doc\\_lib/14\\_1\\_rotten\\_fruit.pdf](http://actionaid.org.uk/doc_lib/14_1_rotten_fruit.pdf), accessed 10/01/08.

<sup>14</sup> Kruger *et al.* 2006 *op. cit.*

<sup>15</sup> Steyne, cited in Distell ‘Vineyards on the moral high ground’, 2002,  
<http://www.distell.co.za/print.aspx>, accessed 30/09/2003

<sup>16</sup> P Bond, *Elite transition: from apartheid to neoliberalism in South Africa*, London, Pluto Press, 2000; R Cassim and D Onyango, ‘South Africa’s Trade Reform and the World Trade Organisation: Background and Progress’, *Trade and Industry Monitor*, 19 (September), 2001, pp 2-4; K Pauw and L Mncube, ‘The impact of Growth and Redistribution on poverty and inequality in South Africa’, *International Poverty Centre Country Study*, 7, 2007.

<sup>17</sup> Ethical Trading Initiative (ETI), *Purpose, Principles, Programme, Membership Information*, London, ETI, 1998, pp. 5-8; D Bek, C McEwan and K Bek, ‘Ethical trading and socio-economic transformation: critical reflections on the South African wine industry’, *Environment and Planning A*, 39, 2007, pp 301-19; WIETA, ‘Wine Industry Ethical Trade Association: Retailer Briefing Document’, Cape Town, Wine Industry Ethical Trade Association, 2003.

<sup>18</sup> Lewis P, ‘Wine, workers and web applications’ *ICT Update: A Current Awareness Bulletin for ACP Agriculture*, 32, 2006  
<http://ictupdate.cta.int/index.php/article/view/570> (accessed 09/01/2007).

<sup>19</sup> Figures are accurate at the time of writing ([www.WIETA.org.za/qa.html](http://www.WIETA.org.za/qa.html)).

<sup>20</sup> SAWIS (South Africa Wine Industry Information and Systems), ‘South African wine industry statistics 2006’, Paarl, SAWIS, 2006.

<sup>21</sup> See <http://eti2.org.uk/Z/lib/2006/09/impact-press/eti-press-impactex-200610.pdf>.

---

<sup>22</sup> Ponte and Ewert, 2007 *op cit.* The next largest importers are: Netherlands (17%), Germany (13%), Sweden (7%). The four countries account for over 75% of South African wine exports.

<sup>23</sup> S Ponte, 'Governance in the value chain for South African wine', *Tralac Working Paper 9* [Online], 2007, [www.tralac.org](http://www.tralac.org). There are three main types of wine producer in South Africa: estate wineries (producing wine from own-grown grapes); co-operatives (processing grapes of farmer member shareholders, pressing around 80% of the harvest); independent cellars and wholesalers (buying in grapes and/or wine for bottling under own or third-party brand names).

<sup>24</sup> V Nelson, J Ewert and A Martin, 'Assessing the impact of codes of practice in the South African wine industry and Kenyan cut flower industry', Phase 1 report, DFID, Natural Resources and Ethical Trade Programme, 2002; Bek *et al.* 2007 *op cit.*

<sup>25</sup> S Barrientos, 'The ETI code of labour practice: do workers really benefit?' *Report on the ETI Impact Assessment: Part 2c South Africa*, Institute of Development Studies, 2006.

<sup>26</sup> S Barrientos S and S Smith, 'Do workers benefit from ethical trade? Assessing codes of practice in global productions systems', *Third World Quarterly*, 28(4), 2007, pp. 713-30.

<sup>27</sup> The system of payment in kind through which workers were given poor quality wine in lieu of wages. Outlawed in 1961, the practice endured into the 1990s; crude sweet wine continues to be very cheaply available on wine farms ([http://wine.wosa.co.za/uk/page\\_detail.aspx?PAGEID=130](http://wine.wosa.co.za/uk/page_detail.aspx?PAGEID=130))

<sup>28</sup> Kruger *et al.* 2006 *op cit.*; McEwan and Bek 2006 *op cit.*; G Williams, 'Black economic empowerment in the South African wine industry' *Journal of Agrarian Change*, 5(4), 2005, pp. 476-504.

---

<sup>29</sup> Kruger *et al.*, 2006 *op cit*, p. ii.

<sup>30</sup> S Barrientos and S Smith, *Report on the ETI Impact Assessment: Summary*, Institute of Development Studies, 2006, p. 16.

<sup>31</sup> J Ewert and A du Toit, 'A Deepening Divide in the Countryside: restructuring and rural livelihoods in the South African wine industry', *Journal of Southern African Studies*, 31(2), 2005, pp 315-332.

<sup>32</sup> WIETA's most recent report on social auditing  
(<http://www.wieta.org.za/auditing.html>).

<sup>33</sup> This deeply contentious terminology is still widely used. We are mindful of the associated sensitivities – in the Western Cape, very specific historical and political meanings are attached to what it means to be 'black', 'white' and 'coloured' on and off wine farms; see Z Erasmus, 'Some kind of White, some kind of Black: living the moments of entanglement in South Africa and its academy' in *Un/settled Multiculturalisms*, B Hesse (ed), London, Zed, 2000, pp 185–207.

<sup>34</sup> Barrientos and Smith 2006 *op cit*.

<sup>35</sup> K Breytenback, 'Probe launched into claims by farm workers' *Cape Times* (Cape Town) September 18 2006.

<sup>36</sup> P Lewis, 'Analysis of results of the first 42 audits conducted by WIETA – March 2005', Cape Town, WIETA, 2005.

<sup>37</sup> M Brown-Luthango, 'Rotten fruits 2: Tesco profits as women workers pay a high price' Women on Farms Project, 2006,  
[http://www.wfp.org.za/pdf/rotten\\_fruits\\_south\\_african\\_farm\\_workers\\_pay\\_a\\_high\\_price\\_fo.pdf](http://www.wfp.org.za/pdf/rotten_fruits_south_african_farm_workers_pay_a_high_price_fo.pdf), accessed 10/01/08; Wijeratna 2005, *op cit.*; Women on Farms Project (WFP), *Report on the Women on Farms Engagement with Tesco*, 31 October 2006.

---

<sup>38</sup> WFP, 2006 *op cit.* p. 4.

<sup>39</sup> Wine Industry Council (WIC), *The Wine Industry Transformation Charter*, Stellenbosch, Wine Industry Council, 2007, p. 1.

<sup>40</sup> Kruger *et al* 2006, *op cit*, p.1.

<sup>41</sup> D Klooster, 'Environmental certification of forests: the evolution of environmental governance in a commodity network', *Journal of Rural Studies*, 21, 2005, pp 403-17

<sup>42</sup> The Charter states that all producers, including those not *required*, should strive to comply.

<sup>43</sup> According to a survey of 516 wine producers, 60% were in favour of BEE or would be willing to work towards it if they had the finances; only 11% were opposed (WIC, 2007).

<sup>44</sup> Ewert and du Toit 2005, *op cit.*

<sup>45</sup> Kruger *et al.*, 2006, *op cit.* p. 8.

<sup>46</sup> A weak Rand in 2007 and a poor Australian crop have helped South African exports recover (Ponte and Ewert, 2007).

<sup>47</sup> Ponte, 2007, *op cit.* p. 27.

<sup>48</sup> *Ibid.*

<sup>49</sup> J Ewert and J Henderson, 'How globalisation and competition policy inhibit poverty reduction: the case of the South African wine industry', *Centre on Regulation and Competition Working Paper Series*, 107, Manchester, IDPM, Manchester University, 2004.

<sup>50</sup> S Barrientos and A Kritzinger, 'Squaring the circle: global production and the informalization of work in South African fruit exports', *Journal of International Development* 16, 2004, pp 81–92; A Kritzinger and S Barrientos, 'Global production and flexible employment in South African horticulture: experiences of contract

---

workers in fruit exports', *Sociologia Ruralis*, 44(1), 2004, pp 17–39; A du Toit, 'Ethical Trading - A Force for Improvement, or Corporate Whitewash?' *ODI Natural Resource Perspectives*, 2001, p 71.

<sup>51</sup> Kruger *et al.*, 2006, *op cit.* p. 25.

<sup>52</sup> S Ponte and P Gibbon, 'Quality standards, conventions and the governance of global value chains', *Economy and Society*, 34(1), 2005, pp 1-31.

<sup>53</sup> A Hale, 'What hope for 'ethical trade' in the globalised garment industry?' *Antipode*, 32(4), 2000, pp 349-56.

<sup>54</sup> J Popke, 'Geography and ethics: everyday mediations through care and consumption', *Progress in Human Geography*, 30(4), 2006, pp 504-12.

<sup>55</sup> M Blowfield, 'Ethical trade: a review of developments and issues' *Third World Quarterly*, 24, 1999, pp 753-70.